

Travel Michigan

- A business unit of the Michigan Economic Development Corporation (MEDC)
- The state of Michigan's official tourism promotion agency
- Mission: Increase leisure visitor spending in Michigan, thereby increasing business revenues, employment and tax collections
- Primary tactics: advertising, public relations, promotions, michigan.org, enewsletters, *Michigan Travel Ideas*, social media

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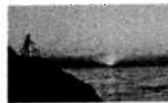
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Michigan Tourism Industry

- Visitors spent \$15.1 billion in 2009
- That spending funds 142,500 jobs statewide
- That spending contributes \$850 million in state taxes

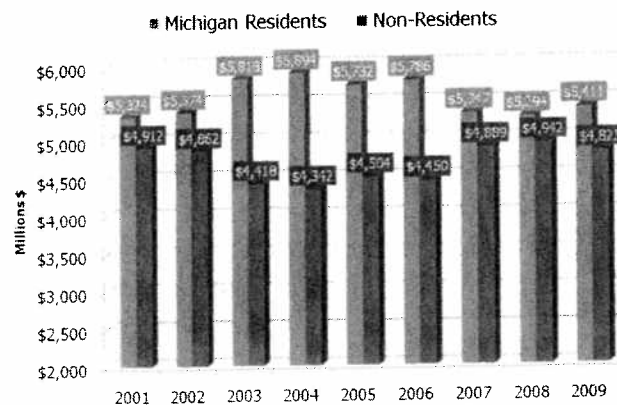
Source: D.K. Shifflet and Associates



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Michigan Leisure Spending Resident vs. Non-Resident



2006 to 2009, MI Residents travel down 6%,
Non-Residents travel up 8%



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Initial 2010 Results

- MI hotel occupancy @ 51.8 %, up 10.2%
(U.S. hotel occupancy @ 57.6%, up 5.7%)
- MI RevPAR @ \$40.30, up 8.5%
(U.S. RevPAR @ \$56.47, up 5.5%)

Source: Smith Travel Research



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In 2006, we created a new brand
for Michigan

PURE MICHIGAN

Print Ad

You get the way to school
 That takes you home
 And before we know it, we get stuck in a routine
 So let's take a little break from the routine
 To a place where something new and exciting
 Is waiting for us just around the corner
 Right here in Pure Michigan.

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Billboards

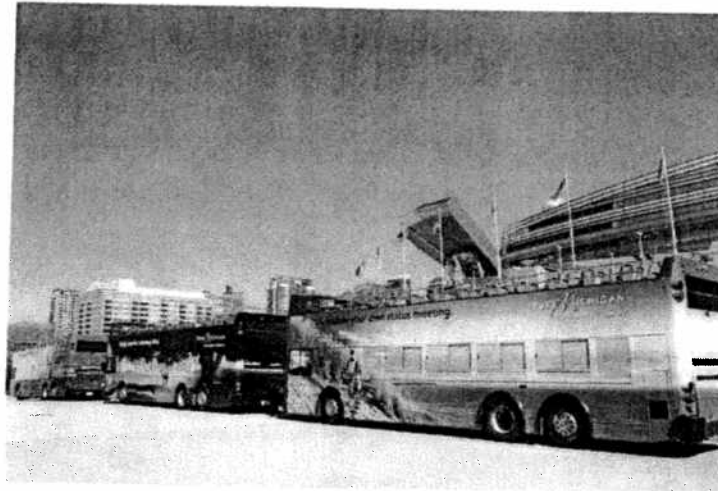
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Chicago Bus Wraps



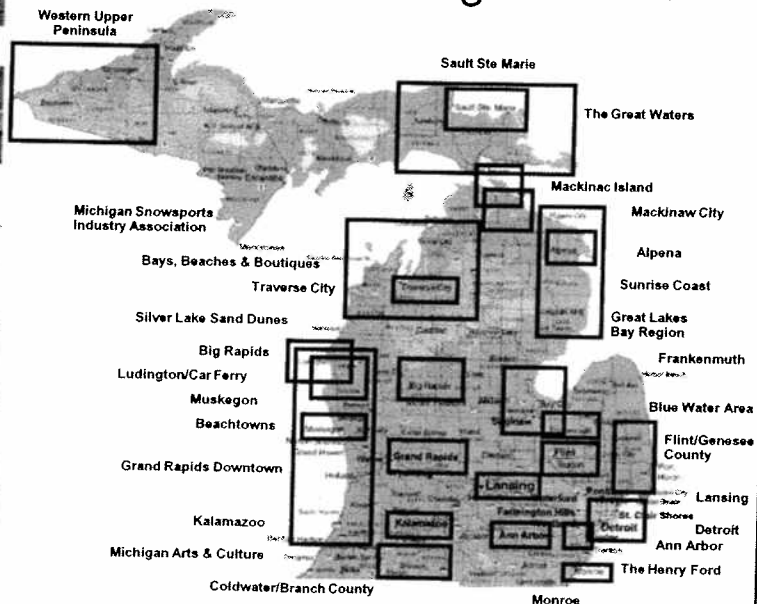
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2011 Advertising Partners



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2011 Advertising Partners

\$2.5 million from private sector
Up from \$1.4 million in 2010

• Regional Advertising Partners

- Alpena, Ann Arbor, Arts Council, Beachtowns, Blue Water (Port Huron), Coldwater, Detroit, Eastern UP, Flint, Frankenmuth, Great Lakes Bay, Grand Rapids, Kalamazoo, Lansing, Ludington, Mackinac City, Mecosta County, Monroe, Muskegon, Sault Ste Marie, Silver Lake, Snowsports Assoc., Sunrise Coast, Traverse City, Western UP
- \$1.5 million partner dollars invested

• National Advertising Partners (New)

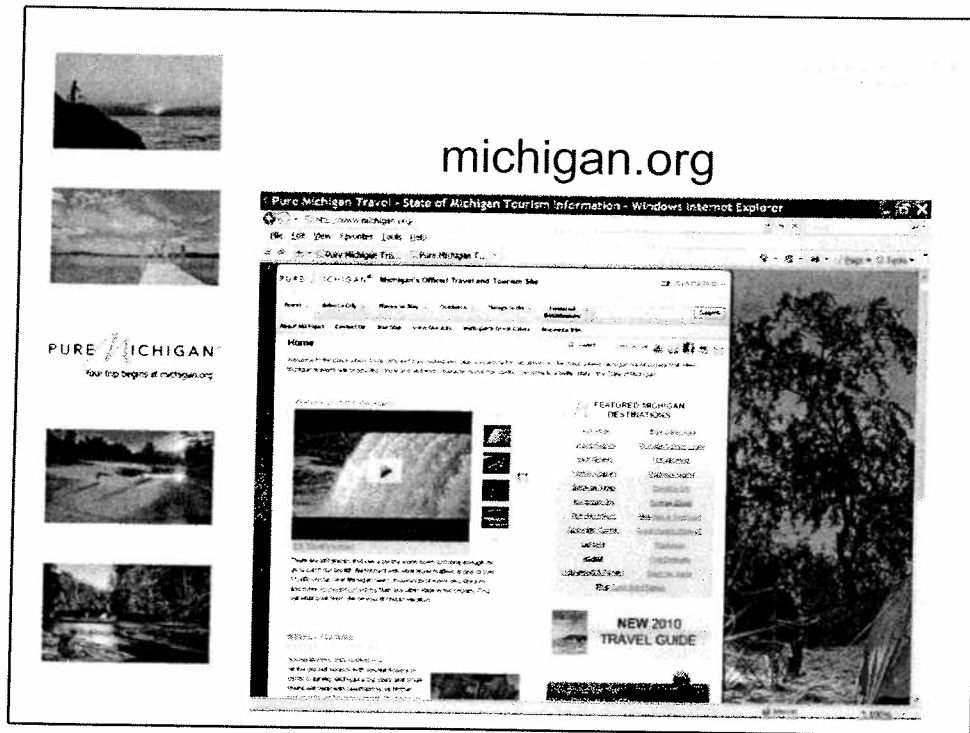
- The Henry Ford, Mackinac Island
- \$1 million partner dollars invested



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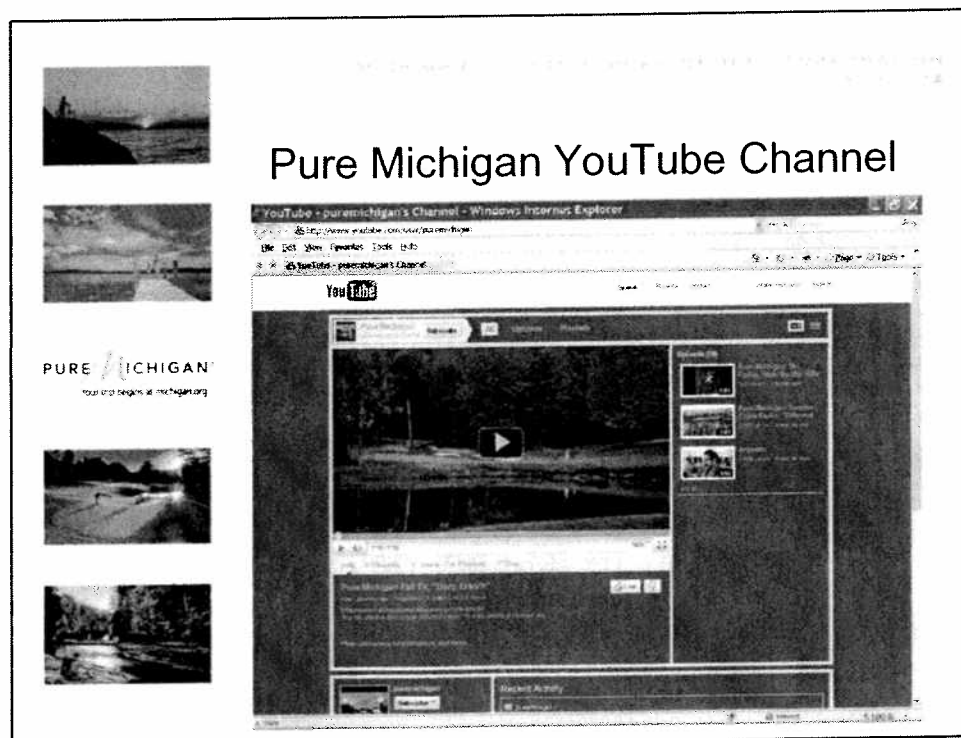
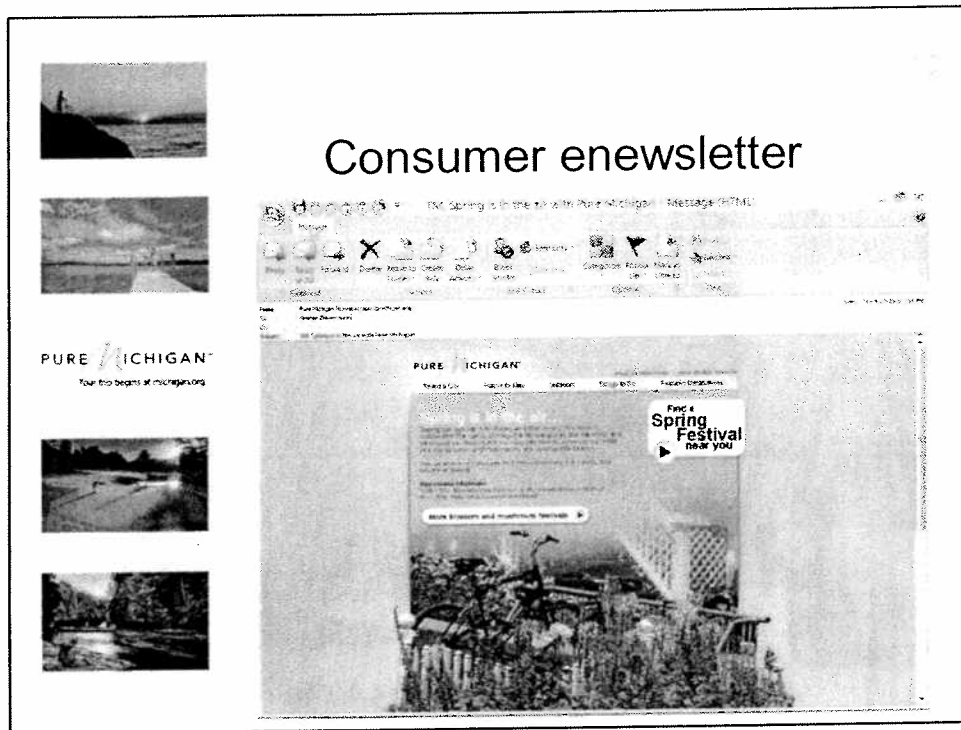
Sunrise Coast Radio Ad



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michigan.org

- More popular state tourism web site, 4th year in a row
- 13.4 million user sessions in 2010, up 19% over 2009
- 6.7 million clicks throughs, more than 18,000 per day



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Pure Michigan on flickr

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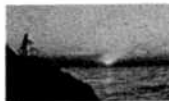
twitter.com/puremichigan



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facebook.com/puremichigan.org



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Michigan Travel Ideas 2011

1,000,000 printed

670,000 polybagged
with March/April
Midwest Living





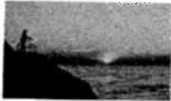
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Pure Michigan Accolades

- Best State Tourism Advertising Campaign, 2007
- Best State Tourism Television Advertising, 2007, 2010
- Best State Tourism Radio Advertising, 2008, 2009, 2010
- Best State Tourism Niche Advertising, 2009
- Best State Tourism Welcome Centers, 2010
- Best State Tourism Partnership Program, 2010

"Mercury Awards" presented by the United States Travel Association

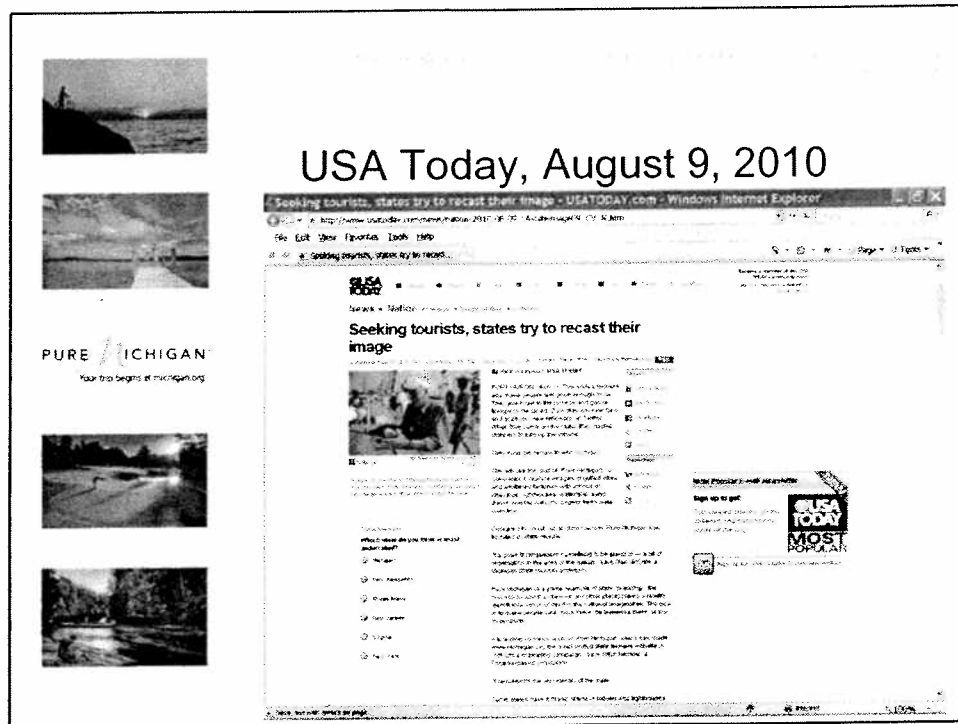



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Forbes (2009): All-time Ten Best Tourism Promotion Campaigns

1. Las Vegas ("what happens here, stays here")
2. Incredible India
3. New Zealand
4. Australia (Paul Hogan, 1980s)
5. Jamaica
6. **Pure Michigan**
7. Alaska (B4UDIE billboards, 2005)
8. Canada
9. Oregon
10. Virginia (is for Lovers)





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Pure Michigan ROI 2006-2009

- \$31.7 million invested in out-of-state summer advertising
- Motivated 5 million trips to Michigan (of 406 million total trips)
- Those visitors spent \$1.3 billion at Michigan businesses
- Those visitors paid \$93.3 million in Michigan sales tax
- The state made \$2.94 for each dollar spent on Pure Michigan summer advertising

Source: Longwoods International



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2011 State of the State Address

"In our budget recommendations, we will include the funding of Pure Michigan



at an annual rate of 25 million dollars.....It's positive for our image and it's a positive return on our tax dollars.....I ask the legislature to recognize that return on investment and lend its full support."

Governor Rick Snyder
January 19, 2011



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Pure Michigan Budget/Markets

- 2005 - \$5.7 million – Chicago, Indy, Cleveland
- 2006/07 - \$13.2 million – add Milwaukee, Cincinnati, & Ontario, Canada
- 2008 - \$17.5 million – add Columbus, Dayton & St. Louis, national golf promotion
- 2009 - \$28 million – add winter, hunting, fishing, & **first-ever national cable TV buy**
- 2010 - \$17 million – national cable, but cut regional advertising for summer/fall



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FY '11 Pure Michigan Budget

- \$5.4 million originally appropriated last fall
- \$10 million added in Dec. lame duck session

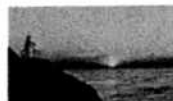
This \$15.4 million funds:

- All general marketing activity
- \$1.5 million regional winter buy airing now
- \$10 million national cable spring/summer buy

Funding still needed for FY '11

- \$7.5 million for regional spring/summer buy
- \$2.5 million for regional fall buy

(Note: no salaries, benefits or other admin costs are paid from this budget)



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The Vision of Pure Michigan

That Michigan be recognized as one of America's top vacation destinations

Achieving this vision will mean:

- Millions of new visitors to the state
- Billions of dollars spent at Michigan businesses
- Tens of thousands of new jobs statewide
- Tens of millions in new state tax collections

TRAVEL MICHIGAN 2009 REGIONAL/NATIONAL ADVERTISING EVALUATION

This report summarizes the results of an Advertising Evaluation study undertaken by Longwoods International to gauge the performance of the 2009 tourism advertising campaign for the State of Michigan.

Background and Method

- For the 2009 travel year, Travel Michigan rolled out the 'Pure Michigan' advertising campaign nationally with the objective of introducing Michigan as a vacation destination to the national audience outside of the Great Lakes region. The campaign was initially launched in the regional advertising markets in 2006.
- The campaign ran from the beginning of April to the end of June 2009.
- A Longwoods R.O. EYE® study was conducted to determine if the campaign was effective in delivering incremental visitors to Michigan between the start of the campaign and the end of the travel year. The survey was conducted via regionally and nationally-representative online consumer panel. A sample of just over 1,500 U.S. adult travelers residing outside of Michigan's regional advertising markets (Illinois, Ohio, Missouri, Wisconsin, and Indianapolis) was obtained and a similar sample was obtained for residents of the regional advertising markets.

Summary of Findings

The campaign was effective in delivering incremental travel, traveler spending and state level taxes related to that spending:

- * In the regional advertising markets, the maturing campaign was able to build on its equity and improve its bottom line impact from an annual average of \$2.86 since 2004 to \$5.34 in 2009.

- * For the national campaign the return was \$2.23. This was a very creditable result given the facts that it was the first year of the campaign and it is generally more challenging to attract visitors from longer distances.

	Regional Markets*		Rest of Nation
	Annual Avg.		
	<u>2004-2008</u>	<u>2009</u>	<u>2009</u>
Advertising Investment	\$5,268,600	\$4,427,900	\$7,822,000
Incremental Trips	993,800	1,265,000	681,200
Incremental Visitor Spending	\$214,980,500	\$337,746,600	\$249,630,000
Taxes Generated	\$15,054,400	\$23,642,300	\$17,474,100
Tax Return on Investment	\$2.86	\$5.34	\$2.23

* Region: Chicago, Milwaukee, Indianapolis, Cleveland, Cincinnati, Dayton, Columbus, St. Louis, and Southern Ontario

These results should also be considered in light of the economic conditions in the United States in 2009 which had a constraining effect on travel and traveler spending.